GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:309
ANSWERED ON:06.12.2007
PRICES OF COMMONLY USED MEDICINES
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the prices of commonly used medicines have gone up by nearly 10% every year for the last 10 years as reported in "The Times of India" dated November 15,2007;

(b) if so, the details thereof?

(c) whether the National Pharmaceutical Pricing Authority has conducted any survey in this regard; and

(d) if so, the steps being taken by the Government to increase the ambit of price control to cover the essential medicines?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO.309 FOR ANSWER ON 6-12-2007 ON THE SUBJECT OF PRICES OF COMMONLY USED MEDICINES

(a) to (d):The prices of 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are controlled in accordance with the provisions of the DPCO, 95 by the National Pharmaceutical Pricing Authority (NPPA). In case of any overcharging, action for recovery of overcharged amount is taken by NPPA.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. Prices of these drugs are regularly monitored and corrective measures taken where public interest is found to be adversely affected.

Based on in-house data-based analysis by NPPA of ORG IMS data for the period December 1994 to July 2007, it has been observed that the prices of 15 top medicines of 15 top bulk drugs which remained under price control under DPCO, 1995, prices have gone up by 0.94% annually whereas the prices of 15 top medicines of 15 top bulk drugs which went out of price control consequent to the promulgation of DPCO, 95, have gone up by 9.65% annually.

Keeping in view the directions of the Supreme Court in SLP No. 3668/2003 and in line with the declared objective of the Government in the National Common Minimum Programme to make available life saving and essential drugs at reasonable prices to the poor, the draft National Pharmaceuticals Policy-2006 proposes, inter alia, that the basket for price control would be the essential medicines as contained in the National List of Essential Medicines, 2003 in addition to 74 drugs which are at present under price control under the Drugs (Prices Control) Order, 1995.

Draft National Pharmaceutical Policy was considered by the Cabinet at its meeting held on 11.1.2007. The Cabinet has referred the Policy to Group of Ministers (GOM). The First meeting of the GOM was held on 10.4.2007 and the Second meeting was held on 12-9-2007. No time frame has been set for finalizing the National Pharmaceuticals Policy.